

Message Text

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PAGE 01 LENDING 00066 201216Z

53

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FM AMCONSUL LENINGRAD

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TAGS: ECON, EAGR, UR

SUBJ: SOVIET ECONOMIC PLAN RESULTS AND GOALS

REFS: MOSCOW 18780, 18862, 18984

1. LENINGRAD LECTURER JANUARY 19 DISCUSSED SOVIET ECONOMY IN LIGHT OF DECEMBER 1974 CENTRAL COMMITTEE PLENUM. PRESENTATION WAS LARGELY PROPAGANDA REITERATION OF PUBLISHED STATISTICS ON 1974 ACHIEVEMENTS AND 1975 PLAN GOALS, BUT SOME REMARKS MAY BE OF INTEREST IN CONTEXT OF PLENUM'S DIRECTIVES.

2. THE PAST YEAR WAS CHARACTERIZED IN ROSY TERMS AS DOING MUCH TOWARD CREATING MATERIAL-TECHNICAL BASE FOR SUCCESSFUL DEVELOPMENT OF COMMUNISM. OVERALL VOLUME OF INDUSTRIAL GROWTH WAS SAID TO BE 6.4 PERCENT VERSUS 4.4 PERCENT FOR US. REAL INCOME SAID TO HAVE INCREASED BY 25 PERCENT DURING 1971-74 PORTION OF CURRENT FIVE YEAR PLAN (FYP), AND "AVERAGE MONTHLY SALARY" BY 18 PERCENT DURING THAT FOUR YEAR PERIOD. THE 5 PERCENT GROWTH IN NATIONAL INCOME WAS TERMED "NOT ENOUGH," AND SPEAKER ATTRIBUTED THIS TO TWO REASONS:

(A) SOVIET INDUSTRY NOT USING ALL AVAILABLE PRODUCTIVE RESOURCES;
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PAGE 02 LENDING 00066 201216Z

AND (B) THE TWO POOR HARVESTS, TERMED A "VERY SERIOUS MATTER."

FINALLY, SPEAKER NOTED THAT THERE WERE STILL VERY SERIOUS PROBLEMS WITH CONSUMERS GOODS PRODUCTION BECAUSE THESE BRANCHES OF THE ECONOMY WERE NOT DOING ALL THAT THEY COULD.

3. PROPAGANDIST DESCRIBED PLENUM'S PRINCIPAL EFFORT AS MAKING THE 1975 PLAN "INTENSIVE, BUT REALISTIC." AGRICULTURE WILL REPORTEDLY RECEIVE VERY LARGE INVESTMENTS, IE. TOWARD GREATER MECHANIZATION AND RETIONALIZATION, AS MEANS OF OFFSETTING VAGARIES OF WEATHER. AGRICULTURAL MANAGEMENT WAS KNOCKED FOR FAILURE TO MODERNIZE METHODS AS RAPIDLY AS NECESSARY. SPEAKER NEVERTHELESS EMPHASIZED IN CONTEXT OF PLAN PRIORITIES THAT IMPROVEMENT IN CONSUMER GOODS AND OTHER BRANCHES COULD ONLY BE REALIZED

THROUGH SUCCESSFUL, HIGH TEMPO OF GROWTH IN HEAVY INDUSTRY. IN THIS REGARD, HE OBSERVED THAT THERE WAS A REQUIREMENT FOR MUCH PLANT RETOOLING SINCE "THE EQUIPMENT OF 10 OR 15 YEARS AGO NO LONGER SERVES TODAY'S NEEDS." GOAL FOR GROWTH IN WORK PRODUCTIVITY FOR 1975 SAID TO BE 8.4 PERCENT. OIL PRODUCTION SAID TO HAVE GREAT SIGNIFICANCE. 1975 GOAL OF 490 MILLIONS TONS OF OIL WAS COMPARED TO 1974'S ATTAINED PRODUCTION OF 459 MILLION TONS. DEVELOPMENT OF SOVIET GAS RESERVES WAS CHARACTERIZED AS "SLOW" IN VIEW OF NEED FOR GREAT QUANTITY OF BIG PIPE AND OTHER EQUIPMENT. (IT WAS LEFT UNSAID THAT THIS DEPENDED MUCH ON WESTER INVOLVEMENT).

8, -&48:7)5743, SPEAKER SAID THAT 1974'S GRAIN HARVEST OF 195 1/2 MILLION TONS WAS "NOT UP TO EITHER SOVIET OR WESTERN EXPECTATIONS," AND THAT PLENUM HAD DECREED THAT GRAIN HARVEST SHOULD INCREASE BY 90 MILLION TONS WITHIN THREE YEARS. SPEAKER SAID THAT SUGAR PRODUCTION WOULD ALSO BE INCREASED, BUT DEFENSIVELY MENTIONED THAT SOVIETS WERE ALREADY CONSUMING ON AVERAGE WELL OVER 40 KILOS PER PERSON.

4. AS FINAL MAIN POINT, SPEAKER EMPHASIZED THAT TRADE WITH SOCIALIST COUNTRIES WILL BE ALMOST ENTIRELY ON BARTER BASIS WITH "NO VALUTA REQUIRED." THIS WAS TERMED "VERY FAVORABLE" FOR THE SOVIET UNION.
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